



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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### **Oregon Man Charged with Using Fictitious Financial Instruments and Failing to File Income Tax Returns**

A federal grand jury sitting in Portland, Oregon, returned a superseding indictment yesterday afternoon charging a Hillsboro, Oregon man with 13 counts of making, presenting and transmitting fictitious financial instruments and six counts of willfully failing to file income tax returns, Acting Assistant Attorney General Caroline D. Ciraolo of the Justice Department's Tax Division announced.

According to the superseding indictment, beginning in or about February 2008 and continuing through at least June 2015, Winston Shrout knowingly devised and participated in a scheme to defraud financial institutions and the United States out of monies by making, presenting and transmitting fictitious financial instruments, which he variously called, among other things, "International Bills of Exchange" and "Non-Negotiable Bills of Exchange." Shrout claimed that these fictitious financial instruments had monetary value when he knew they were in fact worthless. It is alleged that during the course of his scheme, Shrout produced and issued more than 300 fictitious financial instruments, purported to be worth more than \$100 trillion, on his own behalf and for credit to third parties. The superseding indictment further alleges that Shrout promoted and marketed the use of fictitious financial instruments as a way to pay off debts, including federal income taxes, through seminars and private client consultations. Shrout is alleged to have sold recordings of his seminars, templates for fictitious financial instruments, and other materials through his website.

In addition, the superseding indictment alleges that Shrout received income for the years 2009 through 2014 from various sources, including presentations at seminars, licensing fees associated with the sale of products in his name and his business, Winston Shrout Solutions in Commerce, and annual pension payments. It is alleged that Shrout willfully failed to file income tax returns with the Internal Revenue Service (IRS) for those years to report his income, despite being required to do so.

If convicted, Shrout faces a statutory maximum sentence of 25 years in prison on each count of making, presenting and transmitting a fictitious financial instrument and one year in prison for each count of willful failure to file income tax returns.

An indictment is not a finding of guilt. Individuals charged in indictments are presumed innocent until proven guilty beyond a reasonable doubt.

Acting Assistant Attorney General Ciraolo thanked special agents of IRS-Criminal Investigation, who investigated the case, and Trial Attorneys Stuart A. Wexler and Ryan R. Raybould of the Tax Division, who are prosecuting the case.

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